

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 965 - SB 1111

April 14, 2021

SUMMARY OF ORIGINAL BILL: Increases, from two to three days, the grace period after December 31 each year for the expiration of all firework permits under the State Fire Marshal's Office (SFMO).

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (006839): Deletes and rewrites provisions of the original bill such that the substantive change is requiring an applicant for a fireworks manufacturer, distributor, wholesaler, annual retailer, or seasonal retailer permit to be locally licensed to do business in this state and registered with the Department of Revenue (DOR).

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Pursuant to Tenn. Code Ann. § 68-104-102, the State Fire Marshals Office (SFMO) issues permits for manufacturing or sale of fireworks to residents and nonresidents of this state.
- Available fireworks permits through the SFMO are as a manufacturer, distributor, wholesaler, annual retailer, or seasonal retailer.
- Pursuant to Tenn. Code Ann. § 68-104-106, the issuance of a fireworks permit does not replace or relieve any person of state, county or municipal business licenses as provided by law.
- The proposed legislation would not prohibit any current recipients of fireworks permits from continuing operations; it is not estimated that the proposed legislation would significantly decrease the number of permits obtained in the future through the SFMO.
- Both registered businesses and nonprofit organizations obtain firework permits annually.

- According to the Department of Revenue and Tenn. Code Ann. § 67-6-322, nonprofit organizations engaged in making sales of taxable products of services in Tennessee must register to collect and remit sales tax on their sales in this state to consumers.
- As any current holder of a fireworks permit is currently required by law to remit sales tax on their sales in this state, the proposed legislation will not increase or decrease sales or business taxes remitted to state or local government.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- All current holders of fireworks permits under the SFMO are currently required to be licensed as a business and remit any applicable tax on profits.
- No significant impact to jobs or commerce in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/ar